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District Counsel

IN THE UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF CALIFORNIA
FRESNO DIVISION

In re

TULARE LOCAL HEALTHCARE
DISTRICT, dba TULARE REGIONAL
MEDICAL CENTER,

Debtor.

Tax ID #: 94-6002897
Address: 869 N. Cherry Street
Tulare, CA 93274

CASE NO. 17-13797

DC No.: WW-9

Chapter 9

Date: January 11, 2018
Time: 9:30 a.m.
Place: 2500 Tulare Street
Fresno, CA 93721
Courtroom 13
Judge: Honorable René Lastreto II

DECLARATION OF SANFORD HASKINS (CHIEF ADMINISTRATIVE OFFICER) IN
SUPPORT OF MOTION FOR AUTHORIZATION TO REJECT EXECUTORY
CONTRACT (MEDFLOW, PC)

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1 I, Sanford Haskins, hereby declare and represent as follows:

2 1. My name is Sanford Haskins. I am the Chief Administrative Officer of
3 Tulare Local Healthcare District, dba Tulare Regional Medical Center ("Debtor" or
4 "District").

5 2. I have been involved in the healthcare industry for over 40 years.

6 3. I have personal knowledge of the facts contained herein and if I was called
7 as a witness, I could and would testify as is set out in this Declaration. I am over the
8 age of 18, have present knowledge, and am competent to testify to the matters
9 contained in this Declaration.

10 4. On September 30, 2017, the Debtor filed for Chapter 9 bankruptcy.

11 5. On July 1, 2013, the Debtor entered into an Emergency Services
12 Agreement ("Contract") with Medflow, LLC (which subsequently converted to a
13 corporation, Medflow PC, on May 23, 2013) ("Medflow") which is owned by Dr. Yorai
14 Benzeevi, M.D. ("Benzeevi"). The Contract was subsequently amended by the
15 Amendment to Emergency Services Agreement ("First Amendment") effectively dated
16 October 31, 2013, and again by the Second Amendment to Emergency Services
17 Agreement ("Second Amendment"), effectively dated February 3, 2015.

18 6. Attached as Exhibit A is a true and correct copy of the Contract.

19 7. Attached as Exhibit B is a true and correct copy of the First Amendment to
20 the Contract.

21 8. Attached as Exhibit C is a true and correct copy of the Second
22 Amendment to the Contract.

23 9. The purpose of the Contract was originally that Medflow would provide
24 services of physicians and other healthcare professionals who specialize in urgent care
25 and emergency medicine services in exchange for payment. However, with the Second
26 Amendment, the purpose of the contract changed. Medflow no longer provided

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1 physicians or healthcare professionals to provide medical services and instead only
2 provided a Medical Director. Benzeevi is the Medical Director and has been paid
3 \$20,000 a month for his services through Medflow in addition to other compensation
4 received by HCCA.

5 10. I personally analyzed the Contract and determined in my business
6 judgment that the Contract should be rejected.

7 11. I made this determination based on my experience in the healthcare
8 industry and the needs of the Debtor. I informed the District's leadership of my
9 recommendation that Debtor should terminate the Contract.

10 12. The Contract is costly to the Debtor and the same services can be
11 obtained at better prices and more favorable terms. Based on my experience and
12 knowledge of the services rendered and costs of comparable services, the price paid is
13 excessive.

14 13. The Contract is unfavorable because the Contract allows for
15 administrative duties that will be handled internally by the District at a far lesser cost
16 than \$20,000 a month. This will further Debtor's efforts to successfully reorganize by
17 reducing costs to the Debtor.

18 I SO DECLARE under penalty of perjury under the laws of the United States of
19 America and that this declaration was executed on this 28th day of December, 2017
20 at Fresno, California.

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22 _____
23 Sanford Haskins
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